INNOVATIVE MARKETING STRATEGIES OF MSMEs IN HIMACHAL PRADESH: A CASE STUDY

A SYNOPSIS

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1. Introduction to Marketing

Every one of us knows something about marketing. From the time when we first made choice of what to do with a nickel we earned or that someone gave us we have been exposed to consumer choice. We enjoy or are repulsed by a particular advertisement; we are satisfied with a price bargain or unhappy about a high price; we are pleased or displeased with the performance of a product; it is easy or difficult to find just exactly the item we want. These are some of our responses to marketing efforts.[1] Marketing is one of the important functions of management good marketing is not accident but a result of careful planning and execution. It is both an art and a science there a constant pressure between its formulated side and its creative side.[2] Economic sensation often depends up on the marketing ability, finance, operations, accounting and other business functions will not really matter if there isn't sufficient demand for products and service so the industry can make a profit. Making the right decisions about change isn't always easy. Marketing managers must decide what features is to design into a new product what prices to offer customers, where to sell products and how much to spend on advertising, sales or the internet. They must also decide in details such as the exact wording or colour for new packaging.

1.1 History of Marketing

It is tough for many to believe, but when compared to economics, production and operations, accounting and other business areas, marketing is relatively young discipline having emerged in the early 1900s. Bartels (1965) provided an elegant account of the development of marketing theory in terms of the periods of discovery (1900-1910), conceptualization (1910-1920), integration (1920-1930), development (1930-1940), reappraisal (1940-1950) and finally reconceptualization (1950-1960).[3] Prior to this time most issues that are now

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1 Weldon J. Taylor and Roy T. Shaw, JR, Marketing: An Integrated Analytical Approach (South-Western Publishing Company), p. 1.

2 Kotler, Philip, Keller, Kevin Lane, Koshy, Abraham and Jha, Mithileshwar Marketing Management: A South Asian Perspective, p. 4.

3 Cite: Jagdish N. Sheth and David M. Gardener, History of Marketing Thought: An Update, p. 1.

commonly associated with marketing were either assumed to fall within basic concepts of economics (e.g., price setting was viewed as a simple supply/demand issue), advertising or in most cases, simply not yet explored (e.g., customer purchase behaviour). In particular, the study of marketing led sellers to recognize that adopting certain strategies and tactics could significantly benefit the seller/buyer relationship. In the old days of marketing (before 1950s) this often meant identifying strategies and tactics for simply selling more products and services with little regard for what customers really wanted. Often this meant companies embraced a "sell- as-much-as-we-can" philosophy with little concern for building relationships for the long term.[4]

1.2 Role of Marketing in the Indian Context

Gradual developments in the stages of industrialisation pave avenues for the development of marketing activities. A general rise in the living standard of the people also ransacks avenues for an analogous development in the marketing function. Besides this, the rising trends in urbanisation also affect the marketing practices. At this critical juncture, the induction of modern marketing concept in the corporate development plan would only be the safest device. The stimulation of modern marketing practices would generate employment opportunities. In the Indian economy, the problem of unemployment is as its peak. It would be Worthing that the modern marketing practices would explore employment avenues not only in the industrial sector but also in the farm sector. Hence, it would be right to observe that modern marketing practices would solve the problem of unemployment to a considerable extent. This speaks of the fact that there would be a general rise in the standard of living. Hence, the demand side indicates a prosperous future. And taking into account the same the producer would have no option but to balance the supply side by raising the production function. Thus, it would be logical to say that the adoption of modern marketing practices would open doors for the production and distribution function.[5]

Retrieved From: http://www.archive.org/details/historyofmarketi857shet

4 Cite: History of Marketing (2016). From What is Marketing? Tutorial Knowthis.com. Retrieved From: http://www.knowthis.com/what-is-marketing/history-of-marketing

5 Jha, S.M. and Singh, L.P., Marketing Management in Indian Perspective (Himalayan Publishing House), pp. 55-56.

1.3 Meaning of Marketing

The concept of marketing is essentially a concept of customer orientation. This implies that product/ services are brought not merely because of their quality, packaging or brand name, but they satisfy a specific need of a customer. In other words, marketing means those activities which are performed to make the goods and services available to the ultimate consumer right from the basic process of manufacturer. It is the sum of all those activities which are performed to ensure the efficient flow of goods and service from the producer to the consumer. These activities start with assessing the customers need want and ends with meeting them out. In this view, we can say that, the various marketing activities enable us to satisfy our needs and wants.

1.3.1 Definition of Marketing

According to Philip Kotler,[6] "marketing is a human activity directed at satisfying needs and wants through exchange process".

According to converse,[7] "marketing includes those business activities which are involved in the flow of goods and services from production to consumption".

1.4 Innovative Marketing Strategies

These are the course of actions throw which a product is marketed and communicated to the target group by the help of ideas and process which were not used earlier. It can be done through changes in the product design, launching the product in a unique place, promoting through unconventional method, uniquely pricing the product etc.

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6 Kotler, Philip, Marketing Management: Analysis Planning and Control (1980), p. 10.

7 Converse, Hugey and Mitchell, Elements of Marketing, p. 2.

1.5 Marketing Mix

Marketing Mix is a tool which a marketer uses to originate a product or service presently using the 4Ps of marketing: Product, Price, Place, Promotion (7Ps in case of service; Physical Evidence, People, Process). Marketing academician Neil Borden first developed the concept of marketing mix in 1950s. In the 1960s Jerome McCarthy, Professor Harvard business school elaborated the concept of four Ps (McCarthy, 1960).[8]

4Ps of Marketing or 7Ps in case of Service

Product Mix

Product- A product can be a good, a service or an idea. The product variable is important in marketing decisions because it relates directly to satisfying the needs and wants of the target customers. Business unit must find out what customers need and want through marketing research and create products with features that fulfil these needs and wants.

Price- The price variable is important in the design of marketing strategy because customers are concerned about the value obtained in a purchase and price is the easiest of the marketing mix variables to alter. Pricing is mainly determined by the cost of the product and also how much the customer would be willing to pay.

Place- If we are making a product as the right price that is not enough, we need to make it available at the right place too. Product can be distributed in numerous ways and innovations in distribution can dramatically improve firm's sales.

Promotion- It is referred to as communication about the product. This is fourth element which means the communication done about the product to the customer. Advertising on TV, radio, print and digital media would come under promotion.

[8] McCarthy, E. J., Basic Marketing: A Managerial Approach.

Service Mix

Physical Evidence- The evidence which shows that a service is performed, physical evidence should be positive meaning that customer should be assured that service completed as expected.

People- These are employees who execute or deliver the service e.g. delivery boy or a cab driver.

Process- The process is very crucial. They should not only consist of the positive path but also consider the negative path to address issues in the service delivery e.g. complaint management etc.

4Cs of Marketing Mix

Consumer- A business organisation will only sell what the consumer specifically wants to buy. So, marketers should study consumer wants and needs in order to attract them one by one with something they wants to purchase.

Cost- Price is only a part of the total cost to satisfy a want or a need. It reflects the total cost of ownership. Many factors affect cost, including but not limited to the customer's cost to change or implement the new product or service and the customer's cost for not selecting a competitor's product or service.

Convenience- It takes into account the ease of buying the product, finding the product, finding information about the product and several other factors etc.

Communication- It includes advertising, public relations, personal selling and any form of communication between the organization and the consumer.

2. Introduction to MSMEs

In India, majority of inhabitants resides in rural areas. So the economic development of rural India is a key step towards the development of whole country. Economic development is a dynamic process spread over a period of time, which enables an underdeveloped economy to break the vicious circle of poverty, attain higher level of income, output and employment and secure standards of living through introduction of various economic and non-economic changes. Development is synonym with industrialization. There is no one denying the fact that the effective industrial development is very essential for successful economic development.[9]

MSMEs plays critical role in the industrial development of any economy as could be seen in the historical records of presently developed countries. These units act as ancillary units and provide processed raw material to advanced industrial units. Thus the quality of final products of advanced industrial units, to a large extent, depends on the material supplied by MSME units. In addition to this, these units also provide unskilled and semi-skilled labour to these advanced industrial units. Several MSMEs also directly produce and supply final products to consumers also. If these MSMEs receives continuous demand orders from domestic and export markets then it may give such a platform to MSMEs that many of them by stepping up improve their status as advanced industrial units. And thus take the economy to the path of industrial development.[10]

2.1 Meaning and Definition of MSME's

Although the definition of MSME's differs from country to country depending upon economic, political and social environment prevailing in a particular country, yet there are a few similarities in most of the definitions i.e. they are based either on the number of persons employed or are defined

[9] Kanwar, M.R. and Bedi, Pamila. (1983), Economics of Development and Planning (New Academic Publishing Company), p. 6.

[10] Development Commissioner (MSME) Ministry of Micro, Small and Medium Enterprises, Entrepreneurs Memorandum (part-2) data on Msme sector 2007-08 to 2014-15, p. 6.

on the basis of quantum of investment in fixed assets or on both.[11] The limit in terms of investment and employment are directly related to the state of the economic development of a country. For example, a small scale unit may be considered as a medium or large scale unit in a backward or underdeveloped country. The various revisions in these limits usually indicate the trends and policy of the concerned government and its inclination towards the development of MSME's sector.[12]

Micro, Small and Medium Enterprises defined by MSMEs Development Act 2006, relates to all enterprises engaged in production of goods pertaining to any manufacturer or industry specified in first schedule to I (D&R) Act, 1951 & other enterprises engaged in production and rendering services subject to limiting factor of investment in plant & machinery and equipment respectively. Detailed classifications are given below.

For manufacturing sector, an enterprise is classified as:

(a) Micro enterprise, if investment in plant and machinery does not exceed twenty five lakh rupees;

(b) Small enterprise, if investment in plant and machinery is more than twenty five lakh rupees but not exceed five crore rupees;

(c) Medium enterprise, if investment in plant and machinery is more than five crore rupees but not exceed ten crore rupees;

For services sector, an enterprise is classified as:

(a) Micro enterprise, if investment in equipment does not exceed ten lakh rupees;

(b) Small enterprise, if investment in equipment is more than ten lakh rupees but not exceed two crore rupees;

(c) Medium enterprise, if investment in equipment is more than two crore rupees but not exceed five crore rupees.[13]

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[11] Rao, R.V. (1979), Small Industries and Developing Economy of India, (Concept Publishing Company, New Delhi), p. 46.

[12] Swaroop, Gopal.(1948), Advances to Small Industries and Small Borrowers, (Sultan Chand & sons, Delhi), p. 16.

[13] G, Sanjeevan., Present status of MSME Statistic, The Journal of Industrial Statistics (2012), Vol.1, No. 2, pp. 269-270.

Under the MSMEs Act 2006, Micro, Small and Medium Enterprises (MSMEs) are classified as under

Enterprise (Type)	Investment in Plant & Machinery (Manufacturing)	Investment in Equipment (Service)
Micro	Up to 25 lakh	Up to 10 lakh
Small	Above 25 lakh upto 5 crore	Above 10 lakh upto 2 crore
Medium	Above 5 crore upto 10 crore	Above 2 crore upto 5 crore

3. Industrialisation in Himachal Pradesh

Himachal Pradesh derives its economic strength primarily from agriculture and horticulture and allied activities. Industrialisation in the state is a recant old observable fact. It attained momentum after getting statehood in 1971. With a view to offset the topographical disadvantages and boost industrial development special incentives or packages were given to this hilly state for creating quality industrial infrastructure and motivating entrepreneurs to invest in the state in order to create more employment opportunities and gear up the economy of the state. Share of industries in the Gross Domestic Product is approximately 16%.

Emerging as one the favourite destination of investors, Himachal Pradesh has come a long way in its efforts of facilitating on setting up of business in the state. As an important component, 'ease of doing business' is emphasised and many initiatives have been taken to facilitate investors. This journey continuous with the objective of increasing transparency and improve the efficiency and effectiveness of various government regulatory functions and easy access to investors in Himachal Pradesh. Our state offers ample scope to investors in varied sectors such as Pharmaceutical, Horticulture, Agro, Food & Fruit Processing, Textiles, Tourism, Light Engineering, Cement, Hydro-energy etc. Besides this, there exist vast opportunities in emerging knowledge based sectors like Bio-technology, electronics & IT.

As on 31/03/2015 there are 40028 registered Micro and Small (Small Scale Industries) have an investment of about Rs. 7072.37 Crore and have provided employment to 2,24,831 persons. In addition, there are 503 Medium and Large Scale Industries registered in the state having an investment of Rs. 11,312.30 Crore and have provided employment to 60,908 persons.[14]

4. MSMEs and Marketing

The Micro, Small and medium enterprises sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialisation of rural & backward areas, thereby reducing regional imbalance, assuring more equitable distribution of national income and wealth.

Fast changing regional, national and global economic scenario has thrown various opportunities and challenges to MSMEs in India. As on the one hand, many opportunities are opened up for this sector to enhance productivity and look for new markets at national and international level, it has also on the other hand put an obligation to upgrade their competencies to meet the competition as new products are launched at an surprising speed and are available worldwide in short time. MSMEs do not have any strategic tool for their business or market development as available with large industries. In the present competitive age, marketing is one of the weakest areas where in MSMEs face major problems.

It is viewed by the earlier researcher scholars that, in the management of MSMEs/small scale industries in practical terms it is based upon two discipline i.e. finance and marketing. As a result marketing is the major area of operation in MSMEs segment. But at the same time it is neglected area in MSMEs segment generally in India and particularly in H.P. It was also viewed that the difficulty faced by MSMEs in developing countries like India is one of the marketing both in the pattern of production and in the

[14] Government of Himachal Pradesh, Industries Department, Annual Administrative Report 2014-15.

distribution of products a few of the MSMES have little appreciation of marketing concept and strategy. The most threatening problem in the operation of MSMEs is their separation from the market and their inability to understand quickly and accurately the prevailing trends in the market.

Many professional believes that, the MSMEs should integrate with marketing planning for their future growth but, the micro, small and medium industries are unwilling to act upon it. There seems to be lack of confidence and trust in marketing planning which might be due to the lack of their awareness. They always argue that, why should they have be trained to plan their marketing when their business is growing without it. But they don't know that, they need to understand marketing planning, which is basically about truthfulness of needs of the customers. MSMEs continuous to be production oriented rather than market oriented. They have never measured their marketing potential for their products. Otherwise the MSMEs sector will not compete only among each other but they also gave competition to large size units. After applicability of marketing the competitive capacity of the MSMEs will seriously strengthen, which finally affect the sales positively. So, if MSMEs has to capture the market from its competitors make its place in the largest market the four elements of innovative marketing mix along with its different dimensions should be strategically managed.

5. Review of Literatures

The review of literature presents an account of studies related directly or indirectly to the present study. Micro, Small and Medium industries occupy a special place in Indian economy due to its contribution in employment, production and exports. It accounts for 26 million of industrial units, 45% of output in the manufacturing sector, 40% of the total exports and employment to about 69 million people throughout the country. Over 6000 products ranging from traditional to hi-tech items are being manufactured by the MSMEs in the country.[15]

Reddy and Maddileti (2004)[16] have tried to assess the incidence of mortality factor contributing to mortality and estimation of the leakages in employment and investment due to mortality. They found that due to various inducements incentives, concessions and other facilities there has been phenomenal growth in the number of units. But the promotional measures which were taken at the time of birth have not been followed up consistently causing the units to die with 2-3 years. Further they also reveals that incidence of mortality is lower in units located in developed region compared to other regions. The lower rate of mortality in the developed region is due to the concentration of products/ industry groups which having low mortality rates. Demand side problems (30%) followed by entrepreneurial problems (23%) and non- availability of inputs 20% are the dominant reasons for the mortality of small scale units.

Finally they concluded that, the incidence of mortality is lower in developed region compared to the other region low demands of the products are mainly responsible for the death of these SSIs.

Kulkarni and Kaveri (2005-06)[17] highlighted the credit related problems of SMEs in India. The study reveals that lack of understanding of working and requirements of business, lack of transparency on the part of

[15] Retrieved from(Quantitative Data):http//www.msme.gov.in

[16] Reddy, K.V. and Maddileti, Ramana, "Mortality in Small units-An Empirical Analysis", The Indian Journal of Commerce, Vol. 57, No. 2, 2004.

[17] Kulkarni, P.R. and Kaveri, V.S., "Role of Financial Market for SME's in India", Prajnan, Journal of Social and Management Sciences, Vol. XXXIV, No. 1, 2005-06.

borrowers, lack of information made available to banks for credit appraisal, diversion of funds by borrowers, lack of coordination between banks and financial institutions in carrying joint appraisal asking of information from borrowers in piece meal, appraisal being done in parts, lack of cooperation on the part of borrowers to comply with bankers requirements, lack of coordination between SFC's and banks etc. have magnified the credit related problems of SME's in India. The study suggests that making project appraisal system more scientific reduction in time involved in credit sanction, rationalizing the existing lending procedures etc. It also recommends liberal institutional credit to SSIs due to its contribution towards nation economy. It also says to make required changes according to growing expectations of SSI's units.

Finally it is concluded that, the financial institutions have to made changes according to the growing expectations of SSIs units. They have to make project appraisal system more scientific, reduction in time involved for credit sanction and rationalizing of existing lending procedures etc.

Sharma and Desh (2006)[18] examines that the structure and composition of SSIs and the productivity differences between the small and large scale enterprises. The study also explores the labour productivity in SSI sector. It discovers strong inter- linkages between SSI and large scale manufacturing. Labour productivity in the unorganized manufacturing sector is seen to have inverse relationship with the poverty, implying that measures to raise labour productivity can bring about poverty reduction. Therefore, there is a need for capital investment and technological up gradation in the SSI sector. Study reveals that a large number of enterprises in this sector are technologically backward and a substantial number of workers underemployed. Availability of credit has been found to have significant positive impact on labour productivity especially in urban areas. The researcher also finds that existence of sub-contracting does not have much impact on labour productivity and therefore it is only a short-term measure to raise employment and productivity could be achieved, if the state formulates

[18] Sharma, R.K. and Desh, Abinesh, "Labour Productivity in SSI's in India", The Indian Journal of Labour Economics, Vol. 45, No. 3, July-September, 2006.

polices to provide social security, marketing facility, technological up-gradation, training and skills to workers and above all the infrastructural support to the millions of tiny enterprises in the SSI sector.

Finally it should be concluded that, the labour productivity could be achieved if the government and business unit formulates policies to provide social security, marketing facility, technology up-gradation, training and skills to workers etc.

Godewar (2007)[19] observed that, since the inception of globalization and liberalization, small industry has been facing numerous challenges. This sector has got a long time sheltered by protectionist policies and subsidized by govt. nevertheless; some units are able to perform relatively better while other is in poor shape. Most small enterprise are unable to sustain their operations in rich markets where the market is focus on low volume customized products, finance, packaging, marketing and technology up gradation. He suggested that counsellors have to play the specific role, for example seeking out new markets and product opportunities in order to reduce, business risk educating entrepreneurs about the virtues of cost & capital, structuring of projects, costing and pricing of business and to facilitate efficient decision-making.

In essence to the above study he concluded that the SSIs in India remains cost and price un-competitive. According to his point of view counsellors have to play the special role in seeking out new markets, product opportunities, structuring of projects and to facilitates efficient decision-making.

Sherwani (March 2007-08)[20] emphasised that the small scale industries in India occupies an important position in the industrial spectrum of the country. At present the SSI sector face several problems which hamper achieving its full growth potential. So, the government has to play a pivotal role in solving the various problems faced by this sector. The small scale

[19] Godewar, A.V., "Managing India's Small Industrial Economy: The Catalytic fole of Industerial Counsellors and Policy Makers", Journal of Social and Management Sciences, Vol. XXXVI, No. 3, October-December, 2007.

[20] Sherwani, Najeebuzzaman Khan, "Making Small Scale Industries Viable", Yojana, March, 2007-08.

industries sector is the best for rural and semi urban development. The government has to make policies to facilitates the SSI sector is being formulated. It would include providing adequate credit, incentives, infrastructure and marketing facilities etc. The more effective implementation of the govt. policies is the need for a view to make this sector self-supporting and viable.

Finally it is concluded that the SSI sector is best for rural and semi-urban development. The government has to formulate the promotional package for SSI sector.

Sarda (April-June 2008)[21] described the credit guarantee fund trust for Micro and small enterprises (CGTMSE) was set up by the government of India and SIDBI in August 2008 with the objective of motivating banks to provide credit to entrepreneurs without the hassles of collaterals or third party guarantee. It provides guarantee support to banks and lending institutions for their exposure to the MSE's sector. The mindset of the bankers is also gradually changing. In the past, banks used to ask for collateral security before going for appraisal of the loan proposal. But now as a result of the guarantee scheme, they are considering of the projects even when the borrower is not able to provide collateral security or third party guarantee. It will help the MSEs to get financial assistance with and hassles of arranging for third polity guarantee. Guarantee cover is extended up to Rs. 50 lakhs per borrower. In case of default CGTMSE compensates the lending institutions up to 75% (i.e. 37.50 lakhs) of the loss incurred by it. Guarantee fee is onetime fee and it should be paid to the trust by the bank availing of the guarantee within 30 days from the date of approval of guarantee application by CGTMSE or from the date of first disbursement of credit facility in case of term loan whichever is later. Service fee is paid annually at the rate of .50% of sanctioned credit facility up to Rs. 5 lakhs and at rate of .75% of sanctioned credit facility above Rs. 5 lakhs for all accounts with guarantee cover is in force in a financial year. It would be paid within 2

[21] Sarda, D.P., "Credit Guarantee for Micro and Small Enterprises (MSEs)", Bank Quest, The journal of Indian Institute of Banking and Finance, Vol. 79, No. 2, April-June, 2008.

months from the end to the financial year i.e. before May 31 of the year. If the payments is not made within stipulated period guarantee cover lapses.

He finally concluded from the above study that, the government of India and SIDBI set up an institution named as CGTMSME for motivating the bankers to provide credit to entrepreneurs, without the third party guarantee. In past bankers asked for the collateral securities but now they have to consider the project when borrower is not able to provide collateral security.

Reddy (Sept. 2008)[22] revealed that the problem of sickness in small scale industries is due to underutilization of capacity caused by shortage of working capital, lack of demand, non-availability of raw materials, technological obsolescence absence of organized market channels, constraint of infrastructural facilities including power and deficient managerial and technical skills with the emergence of WTO the problems of SSI units are likely to rise further as they will be increasingly exposed to competition from foreign goods and from multinational companies. Therefore, it is suggested that the government has to formulate a comprehensive policy framework to protect the growth and survival of these industries. Policy makers must appreciate the importance of small scale industries and empower them to fair competition, particularly from the Chinese counterparts both in the domestic and international markets.

Finally concluded from the study that, the SSI faces the problems of sickness due to the underutilized capacity of plant and machinery, lack of demand, obsolescence etc. So, the govt. has to formulate a comprehensive policy framework to protect the growth and survival of these industries.

Micro, Small and Medium Enterprises (2008-09)[23] RBI articulates in annual report that, the MSMEs in India occupy an important place in manufacturing and service sector. Over the years MSME has established a reputation of their contribution to industrial production, exports, employment and creation of entrepreneurial base in the economy. During 2007-08 MSMEs

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22 Reddy, T. Koti, "Problem and Prospects of SSIs in India", Men and Development, Vol. XXX, No. 3, September, 2008.

23 Micro, Small and Medium Enterprises, Annual Report, 2008-09, RBI Supplement-18.

recorded a growth to 18.8% in the nominal value on output as against 17.5% in 2006-07. The rise of production in this sector however was accompanied by a significant deceleration in employment growth to 2.9% in 2007-08 as compared to 4.3% in 2006-07. Accordingly output per worker had increased, reflecting both a rise in labour productivity as well as cost savings strategy to manage the pressure on margins during economic slowdown. The slowdown in the Indian industry, which began in the first quarter of 2007-08 accentuated on the back of global economic slack that intensified further with the unfolding of financial crisis in September 2008. The slowdown partly reflected sharp fall in global commodity trade, which impacted India's external demand for manufacturing products. As compared to other emerging economies, however the impact of the financial crisis on industrial output in India has been moderate.

Finally it can be concluded that, the growth at MSME's is increased respectively to the last 10 years according to the input and output per worker had increased reflecting both a rise in labour productivity as well as cost saving.

Saxena (2009)[24] examined various factors which effects the marketing strategies of SME's i.e. limited financial resources, limited use of specialized services. For example: according to a survey by Ministry of MSME's nearly 2/3 (two-third) of small business consider the lack of market information. On the other hand government works towards providing a suitable policy framework and infrastructure for MSME sector to flourish. The MSME development Act 2006 provides establishment of funds for the development of this sector, notification of schemes for this progressive credit policy and practices provide marketing supports.

Finally it can be concluded that, there are so many factors which affects the marketing strategies of SMEs i.e. limited financial resources, limited use of specialized services. According to the survey 2/3 of the SSI's considered the lack of market information.

[24] Saxena, Ashwani, "Marketing Challenges and Medium Enterprises clusters", Yojana, November, 2009.

Ashish and Ishika (2010)[25] have found that, the MSME by their nature are exposed to a variety of risks which they must manage. As per the Economist Intelligence Unit Survey 2009, about 36% of the time of the top management was spent on Risk and capital management. Further the survey pointed out the bulk of this effort went into strategy development, Pricing, New product development and allocation of capital to business lines. The goal of this study should be to understand measure and monitor the various risks that arise. The best method to manage risk is aligning the risk management practices with corporate strategy by using both real and financial methods. They further express that for the MSME one challenge is to minimize the borrowing costs and thus some exposure is left unchanged. The MSMEs are exposed to the following risks: credit risk, market risk, operational risk, product risk, macroeconomic risk, technology risk, reputation risk, & legal risk.

Finally it was concluded that, the more than the ⅓ of the time to the top management spent on risk and capital management and bulk of this effort went into strategy development, pricing, new product development etc.

Datta (2010)[26] adverted that, SMEs play a significant role in almost all countries in the world even in the age of liberalization, privatization, and globalization. He express that the strategic management as a field of study typically deals with large and established business enterprises yet the importance of strategic management cannot be neglected in SMEs. It is observed that strategic planning is strongly related to small business financial performance. A survey on 500 high growth firms shows that 86% followed strategic planning. Out of those 94% reported improved profit. It is revealed that strategy formulation and implementation particularly in SMEs play a key role in generating employment, economic wealth etc. He further says that many SMEs do not use the strategic management. The reasons of not using the process of strategic management by those SMEs are lack of sufficient skills of management, lack of trust and openness, management are

[25] Varma, Ashish and Varma, Ishika, "Integrated Risk Management Framework for Indian MSMEs", The Management Accountant, May, 2010, Vol. 45, No. 5.

[26] Datta, Sukamal, "Strategic Management for growth of SME sector", The Management Accountant, 2010, vol. 45, No. 5.

unfamiliar with strategic planning and the management think that they have not sufficient time to implement strategic management.

Finally, it can conclude that, the importance of strategic management cannot be neglected in SMEs. According to the survey 86% of SME firms followed the strategic management out of those 94% reported improved profits. It also reveals that the reasons for not using the strategic management by SMEs are lack of sufficient skills in management.

Agarwal (2010)[27] suggested that SMEs are required to accept the fact that adoption of cost and management tools in their operation can make them more competitive. Right now, the application of these tools in SSIs much below Agarwal suggested that the call of the day is to equip oneself with modern technologies and business processes like activity based costing, production planning, and a strong cost and management information and enable SMEs to compete effectively. A cost accountant can provide SMEs in many ways to make more ways like adopting newer policies and development of flexible budget to meet the changing needs in the volume of activity, sharpen the competitive edge by flushing out indifference in the entire supply chain facing challenges in terms of uncertainties during recession and intense competition, ensure achieving the target cost by reduction in the overall cost of the product etc.

Finally he concluded that, the cost accountant can help SME's in many more ways like adopting newer policies and strategies to promote exports, enhance the productivity and development of flexible budget to meet the changing needs.

Ibrahim (2010)[28] express that, profit maximization is the prime objective of every entity, either in trade, business manufacturing/service industry put in their best efforts to attain the above said objective, facing fierce competition in the market, technological advancement, risk of obsolescence in machinery, equipment process and the continued need to

[27] Agarwal, Ashok k., "Cost Accountants for Growth of SME sector", The Management Accountant, May, 2010, Vol. 45, No. 5.

[28] Ibrahim, I. Mohamed, "Performance Monitoring in SME Sector ", The Management Accountant, May, 2010, Vol. 45, No. 5.

cope up with all such factors. He revealed that, in every manufacturing organization, a separate department is assigned with the task of dealing with cost estimation. This department is specialized in technique of cost estimating, work in close co-ordination with department like marketing, planning, design and production. Every enquiry is processed through specialized department says that, execution phase of the project is a vital segment which calls for close monitoring with reference to the respective estimated cost of production and rate quoted. He further express that the system of performance monitoring on a continued basis would be an eye opener to the management as it would exhibit the performance in execution of the job/project as against the goals set for it. Researcher suggested that for the effectively attend to monitoring the performance in each and every job. It is essential to assign the said important task to a separate cell attached to the estimation department. Such monitoring cell shall adopt advanced techniques like CPM and PERT methods.

Finally he concluded that, it is essential in every manufacturing organization to assign the each important task to the separate cell attached to the estimation department such cell should adopt advanced techniques like CPM and PERT methods for the performance monitoring in SMEs sector.

Selvoraf (2010)[29] expresses that, the growth of SSI segment of SME sector in India has come down considerably in the era of globalization. The decline of growth has been conspicuous in terms of units, employment and production but not exports. SSI sector has grown more towards the international market than towards the domestic market in the globalization era. This is substantiated further by the fact that SSI exports as a percentage of SSI production as well as of total exports as a percentage of SSI production as well as of total exports has improved considerably in the recent period compared to the earlier period. This could be because globalization has led to the emergence of new opportunities for SMEs in the international market. These SMEs which are competitive, would have gained significantly by exploiting these opportunities. SMEs which have been depending for a

[29] Selvoraf, A., "SMEs in India are in Need of Cost Accountants and their Contributions for its Survival", The Management Accountant, May, 2010, Vol. 45, No. 5.

quite long time on government support, such as reservation of products, incentive, concession, subsidies, government policy for collection of dues, labour policies etc. and now a time has come where they have to erupt and metamorphosis into a professionally managed sector to overcome various challenges. Against this background, this paper highlights the significance of cost accountants for the development of SMEs in India.

Finally it is concluded that in the competitive and globalized trend cost control becomes an important element of strategy as unit margins shrink and new products and application are typical to find. Cost accountant can help the SME in managing costs effectively and thereby establish a competitive edge to become a world class- player.

Mujoo (2010)[30] adverted that, the eastern region of reorganized state of U.P. is one of its most backward areas. This region is characterized by inadequacy of human resource development, besides having a poor opportunity structure over the years. It has witnessed due to SSIs catalytic role in the development of backward regions and state government ambitious target regarding two digit growth rates in income and employment in the 11th year plan. An attempt is made in the present study to assess and analyze the structural dynamics of SSIs mainly in the eastern U.P., its constituent eight divisions and twenty seven districts. Industry group wise analysis has been carried out at N/C two digits classification and the ratios of consumers and capital goods industries have been worked out to assess the relative importance of those two groups in this region.

Finally she concluded that, the eastern region of the U.P. is one of the most backward areas. So, as the development of SSIs is helpful in every aspect like employment and income generation. Because SSIs are very much essential for creation of employment opportunities specially in the rural and backward areas of our country.

[30] Mujoo, Rachna, "Dynamics of Development in Manufacturing Industries: Small Scale Industries in the Eastern Region of Uttar Pradesh", Men and Development, September, 2010, Vol. XXXII, No. 3.

Dilip (2011)[31] revealed that, growing incidence of industrial sickness in small medium and large scale sectors has become the cause of considerable concern for all quarters. Incidence of industrial sickness is no doubt a global issue. In terms of number of SSI units account 98.79% of the sick industrial units. Out of 1,71,376 sick industrial units number of SSI units had been as high as 1,67,980 in 2002-03. In terms of growth also, the number of sick SSI units outperformed the Non- SSI units. Over the last two decades, the number of sick SSI units increased at the rate of 12.86% on the year–on-year basis, the non-SSI units on the other hand increased only at the rate of 4.27% per year. The other feature is that the fluctuation in the number of sick SSI units had been much higher than that of the Non- SSI units, this fact reflected in a higher value of coefficient of variation in the time series data even on the number of SSI units. The amount of bank credit that remained non-performing in sick SSI units was Rs 306 crores in 1980-81, whereas blocked by the non-SSI units was 1503 crores in 1980-81. Over the period, the share of the non- SSI units did not decline significantly. On average of share of non-performing bank credit had been 76.5%. The fluctuation in time series data on outstanding bank credit in both the sectors had been almost same.

He concluded from the above study that, during the period from 1980-81 to 2002-03 total number of sick SSI units in India increased by about 7 times, during this period total amount of bank credit blocked increased by about 5 times.

Mukherji (2013)[32] observed that, the MSME sector today occupies a position of strategic importance in the Indian economy in terms of its contribution to GDP, industrial output export and employment generation. So, he says that the proper development of SSI is very much essential for creation of employment opportunities especially in the rural and backward areas of our country. SSI has an important role to play as labour oriented and labour intensive with relatively higher labour-investment ratio from the findings of the census reports and other available data no one can ignore the

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31 Datta, Dilip Kumar, "Industrial Sickness in India: Magnitude and Intensity", Management Accountant, September, 2011, Vol. 46, No. 9.

32 Mukherji, Rohit, "Small Scale Enterprises and Employment Potential", Kurukshetra, January, 2013, Vol. 61, No. 3.

importance of small enterprises in mitigating the problem of unemployment with the manufacturing sector itself SSI sector contributes about four- fifth (4/5) of manufacturing employment in India. However, various estimates made in this regard established that labour force in MSEs is higher than large enterprises. Various studies also revealed that, the share of small scale industry in employment in relation to organized sector employment have increased over the years 1980-81 to 2000-01 MSMEs contribute about 8% of the GDP of the country about 45% of manufactured and about 40% of exports. The coupled with a high labour to capital ratio, high growth and high dispersion makes them crucial for achieving the objectives of inclusive growth.

Finally he concluded that, MSMEs has an important role to play as labour oriented and labour intensive with relatively higher labour-investment ratio from the available data no one can neglect the importance of MSMEs in mitigating the problem of unemployment.

Garima (2014)[33] emphasize to the worldwide, the micro small and medium enterprises (MSMEs) have been accepted as the engine of economic growth and for promoting equitable development. The major advantage of the sector is its employment potential at low capital cost. Over worldwide 90% of total enterprises in most of the developed economies constitutes MSMEs. In India too, the MSMEs play a pivotal role in the overall growth of the industrial economy of the country. The reason behind is that these enterprises are employing about 40% of India's workforce and contributing 45% to India's manufacturing output, they play a critical role in generating millions of jobs, especially at the low-skill level. The country's 1.3 million SMEs account for 40% of India's total exports. The current scenario clearly states that the growth of our economy is impossible without the growth and development of these enterprises. She further reveals that marketing can function effectively only when the commitment from the management and people in the organization comes together. These enterprises can easily implement the innovative marketing practices as they don’t have layers

[33] Chaudhary, Garima, “A Study on Marketing Aspect of Medium and Small Enterprises”, International Journal of Emerging Research in Management &Technology, October, 2014, Vol. 3, Issue-10 ISSN: 2278-9359, pp. 40-48.

between the decision makers and the people who execute the decisions. Their innovative marketing strategy can work, if it is based on clearly formulated marketing program to reach the potential and existing customers. Though the medium enterprises are also proposed to be included as the target beneficiaries in the scheme, but at the same time, marketing of products and services of micro and small enterprises, in rural as well as urban areas also has to be stressed. In present economic scenario, these enterprises are increasingly focusing on improved production methods, penetrating strategies and modern scientific capabilities to sustain and strengthen their operations. They have always been the engines of growth for every country but used to face marketing challenges with constraints on sustained advertisement and other market promotion.

At last she wraps up that, MSMEs can easily implement the innovative marketing practices as they don't have layers between the decision makers and the people who execute the decisions. Their innovative marketing strategy can work, if it is based on clearly formulated marketing program to reach the potential and existing customers.

Dubal (2015)[34] adverts that the Small and Medium enterprises play a vital role in the Indian economic structure due to its significant contribution in terms of output, exports and employment. For a developing nation like India, where the labour is abundant and capital is scarce, the small sector is a major source of employment for millions of people. Keeping in view the importance of SMEs, the Indian government has included this sector in its five-year plans. The SMEs are still hampered by the problems of finance, marketing and low quality. Taking into account the enormous potential of the small sector, the entrepreneurs and the policy-makers must act collectively to facilitate growth in this sector. The role of SMEs in the industrial sector is growing rapidly and they have become a thrust area for future growth. The Indian market is growing and the Indian industry is making rapid progress in various Industries like manufacturing, food processing, textile and garments, retail, accuracy engineering, information technology, pharmaceuticals, agro

[34] Dubal, Jahnavi K., "A Pivotal Role of SMEs in India", Global Journal for Research Analysis (GJRA). May, 2015, Vol. 4, Issue-5, ISSN No 2277 – 8160, pp. 153-154.

and service sectors. Under the changing economic scenario the SMEs have both the opportunities and challenges before them. The support given by the national and the state governments to the SMEs is not adequate enough to solve their problems. However for the sector to fully utilize its potential, it is essential that the entrepreneurs along with the government support take necessary steps for further development. It is quite evident that, nurturing this sector is essential for the economic well-being of the nation.

Ultimately study reveals that, in India the labour is plentiful and capital is scare the small sector is only a major source of employment for millions of people.

Farajollahzadeh, Noorinasab and Yazdanpanah (2016)[35] studies that the ministry of Micro, Small and Medium Enterprises in its vision imagines a vibrant MSME sector in the country exhibiting healthy growth through the setting up of new enterprises and up-scaling of the existing ones. Further, the contribution of MSMEs to the country's GDP is vital and efforts are being made to ensure that the MSMEs are focused on constituting a healthy proportion of the country's GDP. To achieve the ministry's objectives and to have a healthy MSME sector in the country, it is crucial to remove all barriers to the growth of the sector. Here a key differentiator is the MSME's lack of ability to access and utilize information technology compared with the bigger peers. The MSMEs due to their lower purchasing power are denied access to productivity enhancing technologies such as enabling software that range from designing to customer management and sales management. A conscious effort on the part of the ministry to help MSMEs gain access to these technologies would go a long way in enabling the sector to gain new panorama of growth and development. The government's 'Make in India' programme, with its focus on skill formation and innovation could be utilized for achieving MSME growth by directed efforts towards innovating ways to removing roadblocks and enabling a greater thrust to the overall growth and development of the MSMEs in India.

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[35] Farajollahzadeh, Gilda, Noorinasab, Abdol Rahman and Yazdanpanah, Babak, "Role of MSMEs in Economic Growth of India", International Journal of Multidisciplinary Research and Modern Education (IJMRME), 2016, Vol. 2, Issue. 1.

At last it is concluded that, skill formation could be utilized for achieving MSMEs growth directed efforts towards innovating ways of removing roadblocks and enabling a greater thrust to the overall growth and development of the MSMEs in India.

From the above analysis it is found that all these studies have focused on the following areas:

- The MSMEs faces the problems of sickness due to the various reasons like, underutilization of capacity of the plant and machinery, obsolescence, lack of marketing etc.
- Less demand of the products is mainly responsible for the death of these MSMEs.
- The special institutions and banks have to open in the credit deficit states.
- The MSMEs is best for the development of rural and semi- urban areas, for this purpose the government have to formulate the promotional packages.
- The government has to provide MSMEs the basic infrastructure facilities, marketing, research and development etc. Due to the lack of these constraints the MSMEs in India resulting into higher magnitude of sickness.
- Majority of MSMEs measures the total input and output but not the efficiency of their input. It is one of the big reasons which lead them to sickness.
- The financial institutions have to make reduction in the time involved for credit sanction and rationalization in existing lending procedures.
- Labour productivity is also necessary with the lower labour turnover ratio. It is achieved by only providing to the worker social security, job satisfaction, training and skills etc.
- MSMEs in India remains cost and price un-competitive, so the counsellors have to play the special role in seeking out new markets, product opportunities and to facilitate in efficient decision-making.

- The maximum time of the top management is spent on the risk appraisal and capital management in SMEs. They have left a much little time for the appraisal of the other activities like marketing etc.
- Importance of strategic management in SMEs cannot be neglected, because it is the key of success in today's competitive environment.
- Cost account can help the industrial units in managing costs effectively and thereby establish a competitive edge to become a world class player or world class price competitor.
- Marketing strategy can work, if it is based on clearly formulated marketing program to reach the potential and existing customers.
- In India the labour is overflowing and capital is scare the small sector is only a major source of employment for millions of people.
- The skill formation could be utilized for achieving MSMEs growth directed efforts towards innovating ways of removing roadblocks and enabling a greater thrust to the overall growth and development of the MSMEs in India.

5.1 Research Gap

Innovative marketing has a potential to increase the customer satisfaction as well as performance of the MSMEs. On reviewing the existing literature, it comes into light that the bulk of studies cover the Micro, Small & Medium Enterprises and hardly a few studies initiated in the direction of marketing model. Above studies contain their specific findings and suggestions which are not relevant with regards to Himachal Pradesh. Therefore proposed study will be a necessary attempt to fill the research gap in this field. This research gap further forced researcher's interest towards this topic for take it as his research problem for Ph.d thesis. So, in the next pages researcher design the blue print of the proposed research problem.

6. Research Design

A research design is the specification of methods and procedures for acquiring the needed information. Therefore, it helps in carrying out a research plan successfully and provides the practical and rational basis for drawing and gaining knowledge in an orderly way.

6.1 Need of the study

Marketing plays a very important role for the society in general and particularly for the business. It is a technique of innovation and research. The present study is an attempt to analyze “Innovative Marketing Strategies of MSMEs in Himachal Pradesh: A Case Study”. With the help of this study it will get to know us that how innovative marketing is helpful for the entrepreneurs to formulate their marketing strategies. After the execution of those strategies whether, their organisational objectives achieved or not. What are the problems faced by the marketing managers in general and particularly in the field of marketing? It will certainly be helpful for the new comer industrialists in the field of MSMEs and policy maker to design suitable policies and schemes for Micro, Small & Medium Enterprises or industrial sector in the field of marketing in Himachal Pradesh. This study is the way to know how the marketing is performing, is it reaching the targets and is the goal achieved or not. Businesses spend a lot of money on marketing. Therefore marketing is an important aspect of the entrepreneurs to promote their products and generate sales. Furthermore, this study is expected to bring innovations to the marketing and operate as a mechanism in society. Thus, great emphasis has been put on this research topic. The contribution of this thesis will consist of a more insightful understanding of the role and practices of innovative marketing in MSMEs and of the development of marketing theory with reference to this context.

6.2 Statement of Problem

The study will mainly be concentrate on applicability of innovative marketing strategies of MSMEs in Himachal Pradesh with regards to formulate their marketing strategies for getting desirable result. So, the problem is entitled, “Innovative marketing mix in designing marketing strategies of MSMEs in Himachal Pradesh”.

6.3 Objectives of the study

- To study the present status of MSMEs of Himachal Pradesh in general and the profile of MSMEs in specific.
- To investigate regarding the present scenario of innovative marketing-mix in MSMEs of Himachal Pradesh.
- To examine the effectiveness of marketing strategies adopted by MSMEs in Himachal Pradesh.
- To explore the challenges and opportunities of MSMEs in general and particularly in the light of innovative marketing strategies.

6.3.1 Hypothesis

- **H_0** Presently MSMEs are not associated with Innovative Marketing Mix.
- **H_0** There is no significant relation between adoption and effectiveness of Marketing Strategies of MSMEs in Himachal Pradesh.
- **H_0** There is no challenges and opportunities faces by MSMEs in the light of Innovative Marketing Strategies.

6.4 Scope of the study

The present study is restricted to the Micro, Small & Medium Enterprises of Himachal Pradesh. The work will be limited only four district of Himachal Pradesh viz. Kangra, Solan, Kinnaur & Lahul-Spiti. The districts under study have been selected because of maximum and minimum numbers of MSMEs are there. The proposed study will evaluate the innovative marketing mix, through which the marketing strategies of MSMEs are formulated by Micro, Small & Medium entrepreneurs of Himachal Pradesh. The major thrust will

given to the attitude of entrepreneurs towards consumer wants and needs for product planning, cost to satisfy the pricing, convenience to buy with distribution channels and promotion through communication and decide marketing strategies of their industries (Micro, Small & Medium enterprises).

6.5 Research Methodology

Research methodology helps researchers to systematically solve the research problem. Every kind of research study indicates with defining the research problem. Formulation of the problem is the first and vital step in research.[36] Without a problem there is blind groping in the dark.[37] Research methodology is a ploan according to which study will be made and data will be collected. It provides the empirical and logical basis for drawing conclusion and gaining knowledge. The application of correct methods and adoption of the scientific form of mind will be essential requirements of a scientific and complete study. Keeping the said supposition in view, methodology of data collection and analysis of data formed.

6.5.1 Primary Data

The collection of information will be based mainly on primary data. The primary data for this study will be collected through questionnaire from the industrial (MSMEs) units located in Kangra, Solan, Kinnaur & Lahul-Spiti districts of H.P. for the collection of data the researcher will personally visit to each and every sample unit. It also provides an opportunity to use observation or surveillance method to have better insight about the working of these units. The questionnaire will be developed in the view of the objectives of the proposed study. It will be prepared to get first hand information from the respondents or MSME units. Primary data will be collected through research techniques such as in-depth discussions, Interview schedules and points for field observations will be developed in accordance to the study objectives. Discussion meetings will be conducted with the

[36] Mildred, Parten, Survey, Polls and Samples; Practical Procedures (New York: Harper, Row and Tokyo: John Wearterhill, Inc., 1950), p. 48.

[37] Quoted By T.S. Willkinson and P.I. Bhandarkar in Methodology and Techniques of Social Research (Bombay: Himalaya Publishing House, 1982), p. 55.

entrepreneurs to understand their perspectives on innovative marketing mix. For the purpose of attainment the qualitative information Likert Scale will be used. The questionnaire will be divided into two parts. Part one will provide the information related to the profile of MSMEs and part two help the researcher so far as other attributes which will concerned to the proposed study.

6.5.2 Secondary Data

Secondary data will be collected from various published and unpublished sources including central, state and district government/administration agencies. The sources of secondary data are:-

- Annual reports of Development Commissioner (Micro, Small & Medium Enterprises) Ministry Of Micro, Small & Medium Enterprises, Nirman Bhawan, New Delhi.
- Annual reports of Micro, Small & Medium Enterprises Development Institute Govt. of India, Ministry of MSME, Electronics Complex, Chambaghat, Solan.
- Books, Magazines, Journals and other published media.
- Annual reports and other periodicals of Directorate of industries Himachal Pradesh.
- District industry centres.
- Library Himachal Pradesh University Shimla etc.

The aid will be taken from different websites to acquire suitable information related to the study.

6.5.3 Sampling Design

All the units registered under the umbrella of Himachal Pradesh Micro, Small and Medium Enterprises will be the population for proposed study. A very huge part of this study will be carried out with the help of primary data

which will be collected by way of sampling. To obtain the required information from the respondents, multistage sampling will be used.

At the first stage, the entire state has been divided on the basis of districts for the proposed study and four districts namely Kangra, Solan, Kinnaur & Lahul-Spiti will be selected on the basis of maximum and minimum number of MSMEs registered in these districts. As shown in the given table.

DISTRICT WISE DETAILS OF NUMBER OF ENTERPRISES SET UP SINCE INCEPTION UPTO 17.9.2015

Sr.No.	Districts	Total Number of Registered units of MSMEs	Ranking of Districts as per number of registered units of MSMEs (in Descending order)
1	Bilaspur	2406	9
2	Chamba	1810	10
3	Hamirpur	2944	7
4	**Kangra**	**9223**	**1**
5	**Kinnaur**	**598**	**11**
6	Kullu	2653	8
7	**L.& Spiti**	**590**	**12**
8	Mandi	4070	3
9	Shimla	3605	4
10	**Solan**	**5662**	**2**
11	Sirmour	3399	6
12	Una	3558	5

Source: Industrial Directorate Shimla, Himachal Pradesh.

At the second stage, Industrial areas will be selected. There are 10 industrial areas namely: Nagrota Bagwan, Dhaliara, Nagri, Sansarpur Terrace, Bain Attarian, Raja-Ka-Bagh, Nargala Jawali, Kangra, Dehra, Jawali in Kangra

district, 14 industrial areas namely Baddi, EPIP Phase-1 Baddi, EPIP Phase-2 Thana Baddi, Barotiwala, Apparel Park Katha, Lodhimajra, Chambaghat, Banalgi, Mamleeg, Vaknaghat, Chambaghat, Dharmpur, New Chambaghat, Parwanoo in Solan district, only 1 industrial area namely Reckong Peo in Kinnaur district and also only 1 industrial area namely Keylong in Laul-Spiti district. Out of these all industrial areas will be selected from the each district.

At the third stage, sample respondent units of MSMEs will be selected. The sample respondents will includes Micro, Small & Medium enterprises situated in the selected industrial areas under study. A quota of 400 units will be taken. The sample will be selected by using average proportionate or average quota sampling method. From each industrial area of district kangra 23 units, from each industrial area of district solan 10 units and from each industrial area of district Kinnaur and Lahul-Spiti 15-15(minimum sample size 30 units from each district) units of MSMEs will be selected. Thus, the sample for the purposed study will constitute 430 (23×10+10×14+30×1+30×1) unit of MSMEs.

At the fourth stage, from each industrial area, respondent industrial unit will be selected by using of judgement sampling method; because of the sample will represent the whole population of the study.

SELECTION OF SAMPLE UNITS IN DETAIL

Name of Districts	Name of Industrial Areas in Districts	Number of MSMEs selected as Sample units From each Industrial Area
Kangra	Nagrota Bagwan, Dhaliara, Nagri, Sansarpur Terrace, Bain Attarian, Raja-Ka-Bagh, Nargala Jawali, Kangra, Dehra, Jawali	**230** 9223/16073×400=229.53 **23** 230/10=23
Solan	Baddi, EPIP Phase-1 Baddi, EPIP Phase-2 Thana Baddi, Barotiwala, Apparel Park Katha, Lodhimajra, Chambaghat, Banalgi, Mamleeg, Vaknaghat, Chambaghat, Dharmpur, New Chambaghat, Parwanoo	**141** 5662/16073×400=140.90 **10** 141/14=10.07
Kinnaur	Reckong Peo	**15** 598/16073×400=14.88 **(Mimimum Sample size 30)**
Lahul-Spiti	Keylong	**15** 590/16073×400=14.68 **(Mimimum Sample size 30)**

6.6 Tools & Techniques for Analysis

Keeping in view the objectives of the study for analyzing the data different tools and techniques will be used. The data collected from different sources will be classified and arranged in tables in one or more forms according to the requirements and following methods will be used for analyzing them.

6.6.1 Mathematical tools

Mathematical tools like percentage will be applied where needed.

6.6.2 Statistical tools

Statistical tools provide a systematic way for collecting organizing and interpreting data expressed in numerical terms.

- Descriptive statistical measure.
- Non parametric measures.

Descriptive Statistical Measures

- **Measures of Central Tendency**

One of the most important objectives of statistical analysis in the modern busy world is to get a single value that can describe the characteristics of the entire data. Such as single value is known as the central value or the average, for find out the average number of entrepreneur responses towards the variables of innovative marketing blend and their awareness arithmetic mean will be used. Mean is a figure obtained by dividing the total values of the various items by their numbers. The mean will be calculated as under:

$$\overline{X} = \frac{\sum X}{N}$$

Where,

$\sum X$ = Total of the observe values

N = Number of observations

- **Measures of Dispersion**

Dispersion is the measure of the variation of the items. For find out the variation in views of entrepreneurs regarding the awareness of the variables of innovative marketing blend standard deviation will be applied. Standard deviation is most important measure of studying dispersion. The greater the standard deviation, the greater will be the magnitude of the deviations of the values from their mean. The standard deviation will be calculated as under:

$$\sigma = \sqrt{\frac{\Sigma(X - \overline{X})^2}{N}}$$

Where,

σ = Symbol of Standard Deviation

$\overline{X}$ = Arithmetic Mean

N = Number of Observations

- **Measure of Skewness**

Measures of skewness tell us about the direction and the extent of skewness. So, co-efficient of skewness will be applied by researcher in order to understand the nature of the response of the entrepreneurs regarding the different aspects of the innovative marketing blend. It is the measure of the trend of the deviation from the mean to be large in one direction than in the other. Karl Pearson's coefficient of skewness will be calculated as under:

$$SK = \sqrt{\frac{\overline{X} - Z}{\sigma}}$$

Where:

$\overline{X}$ = Arithmetic mean

Z = Mode

σ = Standard Deviation

- **Zero Order Correlation**

The simple correlation coefficient is zero order correlation. Correlation analysis attempts to determine the degree of relationship between variables when measuring the association between two variables. Its value is between +1 to -1. It will be calculated as under:

$$r = \frac{\sum(X - \overline{X})(Y - \overline{Y})}{\sqrt{\sum(X - \overline{X})^2 \ \sum(Y - \overline{Y})^2}}$$

Non Parametric Measures

- **Chi-Square (χ^2)**

The chi-square test is used to test the significance of the association between the variables of innovative marketing blend and the formulation of marketing strategies for a micro, small and medium scale industry. It also measured the relationship of effective marketing strategies with the development of MSMEs. It assisted the researcher in determining whether a systematic association exists between two variables or not. This test also be known as goodness of fit to determine whether certain models fit the observed data service the hypothesis state that there is a relationship in the variables of innovative marketing blend with the marketing strategies the chi-square test statistically evaluated this association. The chi-square test will be calculated as under:

$$\chi^2 = \frac{\sum(O - E)^2}{E}$$

Where,

O = Observed frequencies

E = Expected frequencies

7. Tentative Schemes of Chapterization

The proposed thesis will be organized into following chapters:

1. Introduction
2. Review of Literature
3. Research Design
4. Present status of MSMEs in Himachal Pradesh
5. Profile of MSMEs in Himachal Pradesh
6. Marketing Scenario of MSMEs in Himachal Pradesh
7. Challenges & Opportunities in General and particularly in Marketing
8. Conclusion and Suggestion.

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